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THE 1940 AGRICULTURAL OUTLOOK
SOYBEANS, CLOVER SEED, ALFALFA SEED

NOV 28 1939

A radio discussion between Wallace Kadderly, Radio Service, and E. J. Rowell, Agricultural Marketing Service, broadcast during the Department of Agriculture portion of the National Farm and Home Hour, Wednesday, November 15, 1939.

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KADDERLY:

Today we present the last in our series of discussions based on the outlook for 1940, as issued by the Department of Agriculture. As you know, our reporter is E. J. "Mike" Rowell, and today Mike is going to give us the highlights on the outlook report for soybeans, clover seed, and alfalfa seed. These reports were issued this morning. After we hear these two reports, we're going to review some of the highlights of the reports which we have discussed during the past 10 days. All right, Mike, let's start with the outlook on soybeans.

ROWELL:

The soybean crop for 1939 is estimated at about 80 million bushels. That's some 30 percent bigger than last year's record crop. On the whole, farmers have been getting favorable prices for soybeans as compared with the prices they have been getting for other products. If these favorable prices continue, then farmers will probably plant more acres to soybeans during the coming year than they planted this year. Here are two more reasons why farmers are expected to plant more acres to soybeans during the coming year -- a better demand in this country, - and prospects for larger exports.

KADDERLY:

More acres to soybeans as the result of favorable prices this year and an anticipated increased demand both in this country and abroad. Now, the outlook for clover seed and alfalfa seed.

ROWELL:

Supplies of clover and alfalfa seed aren't as big as they were a year ago, but they are a little larger than usual. Red and alsike clover seed are bringing higher prices than they did in 1938, but lower than the 5-year average. Prices of alfalfa seed are a little lower this year, but a little higher than average. It's always difficult to tell just how big an acreage of clover or alfalfa may be expected for either seed or for hay. The higher the price of grain, the fewer acres used for clover and alfalfa. The number of acres used to grow these seeds in 1940 will probably equal that harvested this year. Therefore, there will be enough seed to take care of the sowing requirements in 1940-41.

KADDERLY:

Well, friends, that covers the outlook reports for 1940. Now let's review the highlights of some of the reports which have been discussed during the past 10 days. As I name these reports, Mike, -- you give us a few highlights, starting with the outlook for demand for farm products.

ROWELL:

Even if there had been no war, the economists figure that business conditions would improve in 1940, and consumers would have more income. The war has strengthened that prospect. So, the outlook is fairly clear and we'll see considerably

(over)

stronger demand for farm products in this country this coming year as a whole than in 1939. With regard to foreign demand, the prospect is less certain.

KADDERLY:

Next production costs -- seed, fertilizer, and farm machinery.

ROWELL:

As for seed, the indications are that farmers will have to pay more for some seeds -- red clover for example. Fertilizer costs will probably go up a little, but nothing like the way they did during the World War. Farm Machinery and building supplies will probably cost the farmers more money on the average.

KADDERLY:

Feed crops.

ROWELL:

Total supplies of feeds are now larger than average. But livestock has been on the increase ever since the big droughts, for this reason supplies of feed are not unusually large per animal. However they are more than ample. With the increasing number of livestock on farms, there may be some further decrease in the supplies per animal unit next year.

KADDERLY:

Next, meat animals and meat.

ROWELL:

The number of cattle on farms in the beginning of 1940 will probably be close to the peak and larger than the average of the last 20 years. There will be more hogs in 1940 than this year, but the increase won't be as big as this year over last year. The trend in the number of sheep is expected to be moderately upward during the next few years. The number of stock sheep -- sheep kept for breeding -- on farms at the first of next year, will be about the same as at the first of this year. And total meat production in the United States next year will be larger than it was during 1939 and probably the largest since 1924.

KADDERLY:

Wheat.

ROWELL:

All in all, the economists expect that the acreage planted for harvest next year will be about the same as the 1939 acreage.

KADDERLY:

The poultry outlook.

ROWELL:

The outlook is for a smaller hatch in 1940 than the large hatch of this year. Probably more poultry will be sent to market during the first half of the year because of the large number of chickens and turkeys hatched this year. The reverse will be true during the last half of 1940.

The outlook for poultry prices is less favorable this fall and winter than a year ago. By next spring farmers may find a better demand. By next fall the smaller quantity of poultry sent to market will probably mean prices higher than farmers have been getting lately.

KADDERLY:

And that leaves dairy products.

ROWELL:

The number of dairy cows is expected to increase more rapidly during the next two years than during the past two years. Most of the increase will be in the Northeast around the Great Lakes, and in the Corn and Cotton Belts. Production of dairy products will probably stay about as high as this year. Dairy farmers should be able to look forward to no lower prices than they have been getting.

KADDERLY:

Thanks, Mike, for this summary of the outlook and for the outlook information you have been bringing us during the past 10 days.

